

Rule 4.3A

Appendix 4D

Name of entity

PERLS II TRUST

ABN or equivalent company reference

ARSN 107 133 488

Half-Year Ended

31 December 2008

Results for announcement to the market

	For the half-year ended 31 December 2008 \$'000	up/down	% movement
Revenue from ordinary activities	22,209	up	10.4%
Operating profit attributable to unitholders	22,209	up	10.4%
Distributions to unitholders	(22,209)	up	10.4%
Net loss attributable to the Trust	(2,813)	down	174.3%

Commentary

On 6 January 2004, the Trust issued 3,750,000 PERLS II with a face value of \$200 each, being units in the Trust. The number of PERLS II issued at end of the half-year remained unchanged.

The operating profit attributable to unitholders for the half-year ended 31 December 2008 was \$22.21 million (2007: \$20.11 million). Revenue of \$22.21 million (2007: \$20.11 million) consisted of interest income on the Convertible Notes issued by Commonwealth Bank of Australia New Zealand branch. Distributions of \$22.21 million (2007: \$20.11 million) were paid to PERLS II unitholders in accordance with the terms of the Trust Constitution.

The net loss attributable to the Trust for the half-year ended 31 December 2008 was \$2.81million (2007: profit of \$3.79 million). This is the result of application of AASB 139 Financial Instruments: Recognition and measurement which requires financial liabilities to be measured at fair value through Income Statement. The unrealised movement recognised in the Income Statement has no bearing on the operational result of the Trust.

The distributions payments to PERLS II unitholders are determined in accordance with the PERLS II Terms of Issue described in the Trust Constitution. In accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS"), PERLS II and ordinary units have been classified as a liability of the Trust and not equity. The classification reflects the Trust's underlying obligations in respect of unitholders. The distributions paid to unitholders during the half-year have been recognised as at 31 December 2008 to the extent it is payable under the Trust Constitution.

Distributions to PERLS II unitholders are payable on 15 September and 15 December of each half-year in accordance with the PERLS II terms of the Trust Constitution. An amount of \$11.56 million (2007: \$9.75 million) was paid to PERLS II unitholders on 15 September 2008, \$10.65 million (2007: \$10.36 million) on 15 December 2008.

Ordinary units in the Trust comprise one ordinary unit issued to Commonwealth Bank of Australia. No further ordinary units have been issued during the half-year. No distribution has been paid or is payable to the ordinary unitholder at the end of the half-year.

**FOR FURTHER DETAILS, REFER TO THE FOLLOWING ATTACHED FINANCIAL REPORT
REVIEWED BY PricewaterhouseCoopers**

Greg Freeman
Company Secretary
Date: 17 February 2009

PERLS II TRUST

ARSN 107 133 488

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

Responsible Entity of the Trust:

COMMONWEALTH MANAGED INVESTMENTS LIMITED

ABN 33 084 098 180

**Level 7, 48 Martin Place
SYDNEY NSW 2000**

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Directors' report

The Directors of Commonwealth Managed Investments Limited (ABN 33 084 098 180), a wholly owned controlled entity of Commonwealth Bank of Australia (the 'Bank') and the Responsible Entity of PERLS II Trust (the 'Trust'), submit their report together with the financial report of the Trust for the half- year ended 31 December 2008.

Principal activities

The Trust is an Australian registered managed investment scheme established on 2 December 2003 to issue units known as Perpetual Exchangeable Resetable Listed Securities ('PERLS II units'). The Trust is governed by the Trust Constitution. The PERLS II units are quoted on Australian Stock Exchange ('ASX'). The gross proceeds of \$750 million received by the Trust from the issue of PERLS II units have been invested in Australian denominated convertible notes ('Convertible Notes') issued by Commonwealth Bank of Australia New Zealand branch ('CBA New Zealand').

During the half-year, the Trust continued to operate in accordance with the Product Disclosure Statement and in accordance with the provisions of the Trust Constitution.

The Trust did not have any employees during the half-year.

There were no significant changes in the nature of the Trust's activities during the half-year.

Trust information

The PERLS II units being units issued by the Trust have no maturity date. However, investors have the right to request the exchange of PERLS II units on each rollover date. The Bank, in such cases may choose to exchange PERLS II units for ordinary shares in the Bank or for cash or a combination of both as determined by the Bank. The Trust will terminate in accordance with the provisions of the Trust Constitution.

On 29 December 2008 the Responsible Entity announced the Bank's decision to exchange PERLS II units for cash on its first rollover date of 16 March 2009. To formally notify the unitholders of this decision, the Bank Exchange Notice was issued on 6 February 2009. All PERLS II units will be acquired by the Bank in exchange for cash at the face value of \$200 per PERLS II unit on 16 March 2009. Reset terms for PERLS II units will not be offered.

The Responsible Entity will make a formal decision on the future of the Trust after 16 March 2009.

Review of operations

Results

The operating profit for the half-year ended 31 December 2008 was \$22.2 million (2007: \$20.1 million). Revenue of \$22.2 million (2007: \$20.1 million) consists of interest income on the Convertible Notes issued by CBA New Zealand. Distributions of \$22.2 million (2007: \$20.1 million) were paid to PERLS II unitholders in accordance with the terms of the Trust Constitution.

Distributions

	Half-year to 31/12/2008 \$	Half-year to 31/12/2007 \$
Distribution paid or payable	<u>22,209,000</u>	<u>20,112,750</u>
	cpu	cpu
Distribution (cents per unit)	<u>592.24</u>	<u>536.34</u>

Responsible Entity and Directors

The Responsible Entity of the Trust is Commonwealth Managed Investments Limited. The ultimate parent entity of the Responsible Entity is the Commonwealth Bank of Australia (ABN 48 123 123 124).

The Responsible Entity is incorporated and domiciled in Australia. The registered office of the Responsible Entity is located at Level 7, 48 Martin Place, Sydney, New South Wales, 2000.

The Directors of the Responsible Entity during the half-year ended 31 December 2008 and until the date of this report were:

R M Haddock (Chairman, appointed 1 January 2009)
S P Wareing (Term of appointment ceased on 31 December 2008)
J F Kropp
N J Milne (appointed 1 January 2009)
J G Rooney (Term of appointment ceased on 31 December 2008)
G A Petersen
M J Venter
P A Rayson (alternate for G A Petersen)

Interest in the Trust

The number of units on issue at the end of the half-year is set out in Note 5 to the financial statements. The value of the Trust's assets at the end of the half-year is set out in the Balance Sheet and the basis for valuation of the assets is disclosed in Note 1 to the financial statements.

Manager's expense

All operating costs are borne by the Responsible Entity in accordance with the Trust's Constitution.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached on page 4.

This report is made in accordance with a resolution of the Directors of the Responsible Entity.

R M Haddock
Chairman
Sydney, NSW
17 February 2009

Auditor's Independence Declaration

As lead auditor for the review of PERLS II Trust for the half-year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of PERLS II Trust during the period.

AJ Wilson
Partner
PricewaterhouseCoopers

Sydney
17 February 2009

PERLS II Trust
Income Statement
For the half-year ended 31 December 2008

	Notes	31 December 2008 \$	31 December 2007 \$
Income			
Interest income from available for sale investments	2	<u>22,209,000</u>	20,112,750
Total net investment income		<u>22,209,000</u>	<u>20,112,750</u>
Expenses			
Operating profit		<u>-</u>	<u>-</u>
Finance costs attributable to unitholders			
Distributions to unitholders	3	(22,209,000)	(20,112,750)
(Increase)/decrease in net assets attributable to unitholders		<u>(2,812,500)</u>	<u>3,787,500</u>
(Loss)/profit for the half-year*		<u>(2,812,500)</u>	<u>3,787,500</u>
Earnings per share	1(j)	<u>-</u>	<u>-</u>
Diluted earnings per share	1(j)	<u>-</u>	<u>-</u>

*The (loss)/profit for the half-year ended 31 December 2008 and 2007 were recognised as a result of AASB 139 Financial Instruments: Recognition and measurement which requires financial liabilities to be measured at fair value through Income Statement. The unrealised movement recognised in the Income Statement has no bearing on the operational result of the Trust.

The above Income Statement should be read in conjunction with the accompanying notes.

PERLS II Trust
Balance Sheet
As at 31 December 2008

	Note	31 December 2008 \$	30 June 2008 \$
Assets			
Receivable		200	200
Financial assets - available for sale investments		<u>745,312,500</u>	<u>742,500,000</u>
Total assets		<u>745,312,700</u>	<u>742,500,200</u>
Liabilities			
Total liabilities excluding net assets attributable to unitholders		<u>-</u>	<u>-</u>
Net assets attributable to unitholders – liability	4	<u>745,312,700</u>	<u>742,500,200</u>
Equity			
Available for sale investment revaluation reserve		(4,687,500)	(7,500,000)
Amounts attributable to unitholders arising from movement in available for sale investment revaluation reserve		<u>4,687,500</u>	<u>7,500,000</u>
Total equity		<u>-</u>	<u>-</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

PERLS II Trust
Statement of Changes in Equity
For the half-year ended 31 December 2008

	31 December	31 December
	2008	2007
	\$	\$
Total equity at the beginning of the half-year	-	-
(Loss)/profit for the half-year	(2,812,500)	3,787,500
Changes in the fair value of available for sale investment recognised directly in equity	2,812,500	(3,787,500)
Total recognised income and expense for the half-year	-	-
Transactions with equity holders in their capacity as equity holders	-	-
Total equity at end of the half-year	-	-

Under Australian equivalents to International Financial Reporting Standards (AIFRS), net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or end of the half-year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

PERLS II Trust
Cash Flow Statement
For the half-year ended 31 December 2008

	31 December 2008	31 December 2007
	\$	\$
Cash flows from operating activities		
Interest received on Convertible Notes	<u>22,209,000</u>	<u>20,112,750</u>
Net cash flows from operating activities	<u>22,209,000</u>	<u>20,112,750</u>
Cash flows from financing activities		
Distribution paid to PERLS II unitholders	<u>(22,209,000)</u>	<u>(20,112,750)</u>
Net cash flows from financing activities	<u>(22,209,000)</u>	<u>(20,112,750)</u>
Net movement in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the half-year	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the half-year	<u><u>-</u></u>	<u><u>-</u></u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Note 1. Accounting policies

(a) Basis of preparation of half-year financial report

The financial report was authorised for issue by the Directors of the Responsible Entity on 17 February 2009.

This general purpose financial report for the half-year ended 31 December 2008 has been prepared in accordance with the requirements of the *Corporation Act 2001*, applicable accounting standards including AASB 134 Interim Financial Reporting and other mandatory professional reporting requirements.

The half-year financial report does not include all notes of the type normally included within an annual financial report and therefore cannot be expected to provide as full an understanding of the financial position or financial performance of the Trust as that given by the annual financial report. This report should therefore be read in conjunction with the 30 June 2008 Annual Financial Report of the Trust and any public announcements made in the half-year by the Trust in accordance with the *Corporations Act 2001* and ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. There have been no new accounting standards, amendments to accounting standards or interpretations during the half-year that have been mandatory for the Trust to adopt. Other new accounting standards, amendments to accounting standards or interpretations that have been published are not mandatory for the current reporting period. These are not expected to have any material impact on the Trust's financial report in the subsequent periods.

The financial report is prepared on the basis of historical cost, except for the revaluation of securities that are classified as available for sale. Changes in fair value is recognised through the available for sale investments revaluation reserve.

For the purpose of this half-year financial report, the half-year has been treated as a discrete reporting period.

(b) Restatement of previous financial statements balances

In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, a restatement to the financial statements of the Trust for the half-year ended 31 December 2007 was made. This restatement was also disclosed in the financial statements for the year ended 30 June 2008.

Balance Sheet impact:

Total assets, net assets attributable to unitholders (liability) and net assets remained unchanged as a result of the restatement.

Income Statement impact:

The result for the half-year ended 31 December 2007 was previously incorrectly described as a loss of \$3,787,500, and is now correctly described as a profit of \$3,787,500. This restatement has no bearing on the operational result of the Trust.

(c) Statement of Compliance

The half-year reporting complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the half-year financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured. The principal source of revenue is interest income. The following specific revenue recognition criteria must also be met before income is recognised:

Interest income

Interest income is calculated using the effective interest rate method and is brought to account when the Trust obtains control of the right to receive the interest payment on the Convertible Notes. Interest can not be paid by the Bank unless the Board of the Bank or a Committee of the Board declares the interest to be payable. Consequently, the Trust does not accrue interest until such time the interest is declared by the Board.

(e) Available for sale investments and revaluation reserve

Available for sale investments comprise Australian dollar denominated Convertible Notes issued by Commonwealth Bank of Australia (the 'Bank') through its New Zealand branch ('CBA New Zealand'). The Convertible Notes are recorded at their fair value. The Directors of the Responsible Entity have determined the fair value of the Convertible Notes held by the Trust to be equivalent to the market capitalisation of the Perpetual Exchangeable Resettable Listed Securities ('PERLS II units') on issue at 31 December 2008 at closing bid price.

Unrealised gains and losses are calculated as the difference between the fair value at end of the half-year, and the fair value at the previous valuation point. Any unrealised gains and losses are recognised in equity in the available for sale investment revaluation reserve.

(f) Net assets attributable to unitholders

Under AASB 132, contractual obligations and unitholders' funds are regarded as liabilities. As unitholders have the ability to redeem units from the Trust, all net assets attributable to unitholders have been recognised as liabilities of the Trust, rather than as equity. This classification of net assets attributable to unitholders does not alter the underlying economic interest of the unitholders in the net assets and net profit attributable to unitholders of the Trust.

(g) Income tax

Under current tax legislation, the Trust is not liable to pay tax provided its taxable income and taxable realised capital gains are fully distributed to the unitholders.

(h) Distributions

In accordance with the Trust Constitution and the Product Disclosure Statement, the Responsible Entity fully distributes all distributable income to the unitholders of PERLS II and the ordinary unitholder on a quarterly basis if declared.

Distribution entitlements of the unitholders of PERLS II are determined in accordance with the PERLS II Terms of Issue. Distribution entitlements in respect of the ordinary unitholder are determined in accordance with the Trust Constitution. Distribution income is applied first in paying unitholders of PERLS II and the remainder (if any) is paid to the ordinary unitholder.

Distributions on PERLS II will only be paid if the Bank pays interest on the Convertible Notes in accordance with Convertible Note Deed. Interest will only be paid if the Board of the Bank declares or otherwise resolves to pay the interest and if no Deferral Condition exists.

(i) Terms and conditions of units

The beneficial interest in the Trust is divided into one ordinary unit held by the Bank, and PERLS II units. No unit confers an interest in a particular part of the Trust. A unit which is not a PERLS II unit confers no interest in assets of the Trust if that asset is a share or unit of a share in the capital of the Bank.

(j) Earnings per unit

Under AIFRS, net assets attributable to unitholders as well as the units held in the Trust, are classified as a liability rather than equity. Hence the earnings per share ('EPS') of the Trust is zero. Earnings per unit have been provided as an alternate to the EPS.

Basic earnings per PERLS II unit is determined by dividing the operating profit attributable to unitholders by the weighted average number of units outstanding during the half-year.

Diluted earnings per PERLS II unit is calculated as the Trust's operating profit adjusted for the costs of servicing equity (other than distributions) and the impact of any dilutive potential units, divided by the weighted average of number of units and dilutive units, adjusted for any bonus element. There are no potential dilutive units or bonus elements.

PERLS II Trust
Notes to the Financial Statements
For the half-year ended 31 December 2008
(continued)

Note 2. Interest income

	For the half-year ended					
	31 December 2008			31 December 2007		
	Average balance	Interest revenue	Weighted Average interest rate	Average balance	Interest revenue	Weighted Average interest rate
	\$	\$	%	\$	\$	%
Interest income on Convertible Notes	748,933,926	22,209,000	5.93*	756,466,077	20,112,750	5.32*

* The weighted average interest rate represents the yield to the Trust.

Interest income represents interest on CBA New Zealand Convertible Notes and is calculated based on the 90 day Australian Bank Bill Swap Rate plus a margin of 0.95%, adjusted for tax. The interest is paid quarterly in arrears.

Note 3. Distributions paid

	PERLS II unitholders				
	31 December 2008		31 December 2007		
	Cents per unit	\$	Cents per unit	\$	
15 September 2008	308.24	11,559,000	17 September 2007	260.01	9,750,375
15 December 2008	284.00	<u>10,650,000</u>	17 December 2007	276.33	<u>10,362,375</u>
		<u>22,209,000</u>			<u>20,112,750</u>

Note 4. Net assets attributable to unitholders - liability

	Ordinary unit	PERLS II units
	\$	\$
1 July 2008 to 31 December 2008		
Net assets attributable to unitholders at the beginning of the half-year	200	742,500,200
Increase in net assets attributable to unitholders	-	2,812,500
Operating profit attributable to unitholders	-	22,209,000
Distribution to unitholders	-	<u>(22,209,000)</u>
Net assets attributable to unitholders at the end of the half-year	<u>200</u>	<u>745,312,700</u>
1 July 2007 to 31 December 2007		
Net assets attributable to unitholders at the beginning of the half-year	200	757,537,500
Decrease in net assets attributable to unitholders	-	(3,787,500)
Operating profit attributable to unitholders	-	20,112,750
Distribution to unitholders	-	<u>(20,112,750)</u>
Net assets attributable to unitholders at the end of the half-year	<u>200</u>	<u>753,750,000</u>

PERLS II Trust
Notes to the Financial Statements
For the half-year ended 31 December 2008
(continued)

Note 5. Movement in units attributable to unitholders

The terms and conditions attached to the units in the Trust can be found in Note 1(i) and Note 1(j).

1 July 2008 to 31 December 2008	Ordinary Units	PERLS II Units
Units on issue at the beginning of the half-year	1	3,750,000
Units issued during the half-year	-	-
Units redeemed or cancelled during the half-year	-	-
Units reinvested during the half-year	-	-
Units on issue at the end of the half-year	<u>1</u>	<u>3,750,000</u>

1 July 2007 to 31 December 2007	Ordinary Units	PERLS II Units
Units on issue at the beginning of the half-year	1	3,750,000
Units issued during the half-year	-	-
Units redeemed or cancelled during the half-year	-	-
Units reinvested during the half-year	-	-
Units on issue at the end of the half-year	<u>1</u>	<u>3,750,000</u>

Note 6. Earnings per unit

	Half-year ended 31 December 2008	31 December 2007
<i>Ordinary unit</i>		
Operating profit attributable to ordinary unitholder	-	-
Basic earnings per unit (cents)	-	-
Diluted earnings per unit (cents)	-	-
Weighted average number of units used as the denominator in the calculation of basic and diluted earnings per unit	1	1
	31 December 2008	31 December 2007
<i>PERLS II units</i>		
Operating profit attributable to PERLS II unitholders	22,209,000	20,112,750
Basic earnings per unit (cents)	592.24	536.34
Diluted earnings per unit (cents)	592.24	536.34
Weighted average number of units used as the denominator in the calculation of basic and diluted earnings per unit	3,750,000	3,750,000

Basic earnings per unit is calculated by dividing the Trust's operating profit attributable to unitholders for the half-year by the weighted average number of units on issue during the half-year.

Diluted earnings per unit is calculated by dividing the Trust's operating profit attributable to unitholders for the half-year by the weighted average number of units on issue during the half-year, including any potential units.

There are no potential ordinary units for the half-year ended 31 December 2008 (2007: none).

Note 7. Segment reporting

The Trust operates in one business segment, being investment management. The primary activity of the Trust is to invest funds from the PERLS II Offer in Convertible Notes issued by CBA New Zealand branch. The transaction delivers the proceeds of the offer to the Commonwealth Bank of Australia and is used for general funding purposes. The Trust is domiciled in Australia, from where it is operated.

Note 8. Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 31 December 2008 (2007: none).

Note 9. Events after the end of the half-year

No significant events have occurred since the end of the half-year which would impact on the financial position of the Trust disclosed in the Balance Sheet as at 31 December 2008 or the results and cash flows of the Trust for the half-year ended on that date (2007: none).

Note 10. Other information

On 29 December 2008 the Responsible Entity announced the Bank's decision to exchange PERLS II units for cash on its first rollover date of 16 March 2009. To formally notify the unitholders of this decision, the Bank Exchange Notice was issued on 6 February 2009. All PERLS II units will be acquired by the Bank in exchange for cash at the face value of \$200 per PERLS II unit on 16 March 2009. Reset terms for PERLS II units will not be offered.

The Responsible Entity will make a formal decision on the future of the Trust after 16 March 2009.

**PERLS II Trust
Directors' Declaration
For the half-year ended 31 December 2008**

In accordance with the resolution of the Directors of Commonwealth Managed Investments Limited, the Responsible Entity for the PERLS II Trust, I declare that in the opinion of the Directors:

- (a) the financial statements and notes set out on pages 5-13 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Trust's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
- (b) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable; and
- (c) the financial statements and notes to the financial statements are in accordance with the provisions of the Trust Deed.

On behalf of the Board

R M Haddock
Chairman
Sydney, NSW
17 February 2009

Independent Auditor's Review Report to the unitholders of PERLS II Trust

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PERLS II Trust ("the Trust"), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Trust.

Directors' responsibility for the half-year financial report

The directors of Commonwealth Management Investment Limited (the "responsible entity") are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the trust's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of PERLS II Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

Independent auditor's review report to the members of PERLS II Trust (continued)

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PERLS II Trust is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Trust's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

AJ Wilson
Partner

Sydney
17 February 2009